

APPENDIX 1

Overview of Procurement Process

Pre-qualification Stage

- The initial stage of the procurement process involved the Council inviting bidders to express their interest by way of completion and submission of Pre-Qualification Questionnaires (“PQQ”).
- Eight PQQ applications were received prior to the deadline and following an evaluation process two bidders were invited to participate in the tender stages of the process.

Invitation to Submit Outline Solutions (“ISOS”) Stage

- The ISOS stage was the first stage of dialogue provided for in the process where the Council engaged with the two bidders who were successfully shortlisted at the PQQ stage.
- At the conclusion of the ISOS stage, bidders submitted Outline Solutions. Whilst these submissions were not formally evaluated by the Council their contents were considered to ensure that bids were sufficiently on track towards being sufficiently developed at the final stage of the process.
- Upon being satisfied with the progress of the Outline Solutions both bidders were invited to continue in dialogue with the Council via the issue of the Invitation to Continue Dialogue (“ITCD”) document in March 2020.

ITCD Stage

- The Council entered into further, more detailed dialogue with bidders to align the content of their bids with the Council’s strategic goals and objectives. Additionally, the Council tested the financial viability of the scheme within the prescribed affordability envelope with bidders to which reassurances were provided by both bidders.
- During this stage of the process the impact and disruption of the COVID-19 pandemic required the Council to seek further assurances from bidders to assess their business continuity plans and any contingency arrangements they may have in place.
- Further to the above, delegated approval was provided by Cabinet to refine the award criteria and weightings to allow the Council to assess bidders’ ability to deliver the project despite the disruption caused by the pandemic.
- Once Cabinet authority was received the ITCD stage was brought to a close by issuing the Call for Final Tenders (“CFT”) document to bidders.

CFT Stage

- This represents the final tender submission of the competition and the CFT confirmed the evaluation criteria, weightings and methodology that would be used to assess bidders' Final Tender submissions.
- Following the evaluation of final tenders in accordance with the methodology set out in the CFT document, the Council ranked the bidders to identify the most economically advantageous tender which the Council sought Cabinet authority to appoint as the Preferred Bidder.

Preferred Bidder Appointment

- Further to the above, Cabinet appointed the LiveNation consortium as the Preferred Bidder in November 2020. The Preferred Bidder stage represented a further stage of the procurement process. As such it did not constitute a contract award decision, signalling the conclusion of the competition.
- At the abovementioned meeting, Cabinet approval was also granted for the Council to enter into a Pre-Contract Services Agreement ("PCSA") with the LiveNation consortium. This arrangement governed the Preferred Bidder stage of the procurement process.

Preferred Bidder Stage

- The Preferred Bidder stage has enabled the Council to work with the LiveNation consortium to finalise the contractual arrangements and work up its design to deliver the Arena and the Travelodge Hotel.
- This final stage of the process has also allowed the Council and the LiveNation consortium to carry out further due diligence to mitigate any identified risks, to confirm Indoor Arena viability and affordability for both Council and the LiveNation consortium, as well as being sure both parties can satisfy State Aid (now Subsidy Control) requirements.
- In particular, the Council has utilised this stage of the competition to carry out further, more detailed financial due diligence on the LiveNation consortium's financial position. In addition, the Council has been able to confirm that the detailed cost plan and to ensure the project remains deliverable and within the Council's affordability envelope.
- The Preferred Bidder Stage of the competition has been completed successfully and approval is now sought to award a contract to the LiveNation consortium to deliver the Arena and conclude the procurement process.